

PATENT
Attorney Docket No. JPM-0046

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE BOARD OF PATENT APPEALS AND INTERFERENCES**

APPELLANTS: Tom Vicknair, et al. **GROUP ART UNIT:** 3692

SERIAL NO.: 09/728,340 **CONFIRMATION NO.:** 5053

FILING DATE: December 1, 2000 **EXAMINER:** Harish T. Dass

TITLE: **ELECTRONIC CHECK PRESENTMENT SYSTEM AND METHOD
HAVING AN ITEM SEQUENCE CAPABILITY**

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Commissioner for Patents
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REPLY BRIEF

Please consider this Brief in reply to the Examiner's Answer issued on April 3, 2008.

Arguments begin on page 4 of this Reply Brief.

STATUS OF CLAIMS

A. Total Number of Claims in Application

1. There are 18 claims pending in application.

B. Current Status of Claims

1. Claims canceled: 7, 11-35, 42, and 46-66.
2. Claims withdrawn from consideration but not canceled: NONE
3. Claims pending: 1-6, 8-10, 36-41 and 43-45
4. Claims allowed: NONE
5. Claims rejected: 1-6, 8-10, 36-41 and 43-45

C. Claims On Appeal

The claims on appeal are Claims 1-6, 8-10, 36-41 and 43-45.

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GROUNDS OF REJECTION TO BE REVIEWED ON APPEAL

Whether Claims 1-6, 8-10, 36-41, and 43-45 are rendered obvious under 35 U.S.C. § 103(a) by Geer (U.S. Patent No. 5,930,778; hereinafter “Geer”) in view of Gruenwald (U.S. Patent No. 6,457,006; hereinafter “Gruenwald”).

Appellant respectfully submits that Claims 1-6, 8-10, 36-41, and 43-45 do not stand or fall together, and further submits that Appellant will provide the reasons why each claim is separately patentable.

ARGUMENTS

I. Geer has a completely different focus from Appellant's invention.

As explained on pages 10-12 of Appellant's Appeal Brief filed February 28, 2008 (hereinafter "the Appeal Brief"), Geer has a completely different focus from Appellant's invention. Geer focuses on check processing by the payee recipient who forwards the ECP items/images together to the payee bank. Thus, in Geer the processing is described from the payee to the payee bank. Appellant's invention, on the other hand, focuses on check processing between the payee bank and payor bank whereby the payee bank sends the ECP items first so that the payor bank can process and post those items before the check images/checks are received at the payor bank. Thus, in the invention the processing is described from the payee bank to the payor bank.

Thus, from the outset it is evident that Geer is directed to a different processing cycle, payee → payee bank, than that of the invention, payee bank → payor bank. Not surprisingly, Geer describes a different solution to the different problem, one that bears little resemblance to the claimed invention.

In the Examiner's Answer issued on April 3, 2008 (hereinafter "Examiner's Answer"), the Examiner asserts:

In response to appellant's argument, recited on page 10 and page 12 (Geer focuses), that Geer is non-analogous art, it has been held that a prior art reference must either be in the field of applicant's endeavor or, if not, then be reasonably pertinent to the particular problem with which the applicant was concerned, in order to be relied upon as a basis for rejection of the claimed invention. *See In re Oetiker*, 977 F.2d 1443, 24 USPQ2d 1443 (Fed. Cir. 1992). In this case, Geer teaches the checks are collected and processed

remotely from the payee bank (depository bank), where the process includes scanning, sorting, extracting check information, generating a data file and electronic cash letter from extracted file and transmitting the data file and electronic cash to payee bank for additional processing. It would have been obvious at the time the invention was made to a person having ordinary skill in the art that whether the above process is done at remote location or scanning room of the depository bank and the generated data file is transmitted to bank's computer for additional processing are not patentable distinguished. In both locations the same function is performed and the same result is achieved, a check data file received at the depository bank for further processing [see Geer col. 9 lines 52-64; col. 11 lines 45-55].

Examiner's Answer, at pp. 7 & 8. It is not Appellant's position that the present application is patentable over Geer merely because Geer is from non-analogous art. It is Appellant's position that Geer does not teach or suggest the features and limitations of the claims.

The fact that Geer deals with an entirely different processing cycle is very important when considering, for example, that Geer does not teach or fairly suggest "receiving the paper-based banking transactions *after* having received the ECP file", as recited in claim 1. Geer teaches that the "paper checks [are sent] after processing at the point of receipt [i.e., the payee] from the payee's location into the check clearing and collection system". *See* Geer, col. 5, lines 10-15. In the claimed invention, what is at issue is the receipt of the paper-based banking transactions (e.g., paper checks) sent to the **payor bank** for processing and posting. In short, the cited portion of Geer does not relate to the processing cycle of claim 1.

Further, the Examiner's assertion that "[i]t would have been obvious at the time the invention was made to a person having ordinary skill in the art that whether the above process is done at remote location or scanning room of the depository bank and the generated data file is transmitted to bank's computer for additional processing are not patentable distinguished", is not

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supported by the law. *See Examiner's Answer*, at pg. 8. The present application is distinguishable from Geer if the reference does not disclose "each and every element as set forth in the claim.... either expressly or inherently". *Verdegaal Bros. v. Union Oil Co. of California*, 814 F.2d 628, 631, 2 USPQ2d 1051, 1053 (Fed. Cir. 1987).

II. Receipt of the paper based transaction after receipt of the ECP is not inherent within Geer.

Appellant respectfully submits that Geer does not teach or fairly suggest the payor bank "*receiving* an electronic cash presentment (ECP) file, the ECP file containing first records representing paper-based banking transactions", as recited in Claim 1. The Examiner's Answer asserts that this feature is inherent within Geer because, "it would have been obvious to a person having ordinary skill in the art that Geer implicitly teaches the paper checks are sent after electronic cash letter (ECP), by considering the entire prior art which is 12 pages long." *Examiner's Answer*, at pg. 10.

The assertion of fact also fails as a matter of law because it does not satisfy the standard for inherency. The standard for finding that a feature is inherent is that the feature is *necessarily* present within the teaching of the prior art reference. *See In re Robertson*, 169 F.3d 743, 745 (Fed. Cir. 1999). A feature is not inherent if "it would have been obvious to a person having ordinary skill in the art", as asserted in the Examiner's Answer. Further, extrinsic evidence must make clear that the missing feature is necessarily present in the reference and that persons of ordinary skill would so recognize. *Id.* The Examiner provides no factual basis for the assertion that Geer "implicitly teaches the paper checks are sent after electronic cash letter (ECP)". The only factual support for the assertion is that it would be "obvious" "by considering the entire

prior art which is 12 pages long". *See Examiner's Answer*, at pg. 10. Without providing factual support, the Examiner has not discharged his duty as fact finder under *KSR*. No relevant cites are provided, and no logical reasoning to make the inference is provided.

III. Geer Teaches Only Assigning A Single Document Identification Number to a Check; And The Examiner Is Inconsistently Applying Geer To Claim 1.

Appellant respectfully submits that Geer does not teach or fairly suggest, "generating second records representing the paper-based banking transactions... [and] for each of the second records, assigning a unique second item sequence number [ISN #2] to each respective second record", as recited in Claim 1. The Examiner's Answer asserts:

Geer teaches generating second records representing the paper-based banking transactions. *See at least [col. 15 lines 17-19 "creating a second record translatable into a visually perceptible image of each of said financial instruments."*

Examiner's Answer, at pg. 10. Accordingly, the Examiner's Answer maintains the assertion that "visually perceptible image of the financial instruments" corresponds to the claimed "second record", *see Final Office Action*, at pg. 3, **but does not address the rest of claim 1, "[and] for each of the second records, assigning a unique second item sequence number [ISN #2] to each respective second record"**.

The Examiner's Answer cites column 13, lines 44-49, and asserts that the "document identification number" assigned to a check corresponds to the claimed "unique second item sequence number". *See Examiner's Answer*, at pg. 4. However, Appellant respectfully submits once again that Geer plainly and unambiguously teaches that the *check*, not the "visually

perceptible image of the financial instrument" is assigned the unique document identification number. *See Appeal Brief*, at pg. 16.

Further, The assigned document identification number of column 13 lines 44-49 is the same document identification number taught in column 7, lines 52-55, which the Examiner asserts corresponds to the claimed "unique first item sequence number". *See Examiner's Answer*, at pg. 2. So, there is no separate processing of the ECP items and the check image as in the claimed invention, where the ECP items are given an ISN (ISN #1) and the check/images are given their own ISN (ISN #2), which are later reconciled at the payor bank.

To be plain, the rejection is deficient in the most basic respect---Geer is based on a single ISN. The invention claims two ISNs, an ISN #1 and an ISN #2, which are associated with two different records. When the records are reconciled or correlated, one of the ISN's can be discarded. Because Geer only teaches a single ISN, the various operations in the claimed invention involving two ISN's cannot take place in Geer.

IV. The Examiner's Answer Unreasonably Interprets And Applies The Word "Correlating" To Include Reconciliation For Accounting Purposes.

Appellant submits that Geer does not teach or suggest, "*correlating the first and second records*", as recited in Claim 1. The Examiner's Answer asserts:

Geer teaches correlating the first and second records, see at least [col. 1 lines 58-65] "*Internal accounting procedures of the payor reconcile the invoice and payment with the payor account with payee.*" and col. 10 lines 50-57 reads "*In the example depicted in FIG. 2, electronic transfer and processing of payments occur and paper checks follow at some later time for confirmation, reconciliation and storage by the payor bank and/or for return to the drawer.* " *Reconciliation of paper check and ECP is done only*

when the paper check and ECP entry is correlated otherwise payment cannot be reconciled.]

First, Appellant respectfully submits, again, that the Examiner inconsistently interprets the Geer reference. The Examiner asserts that the data collected during first scanning (MICR, amount of the check and date) corresponds to the claimed “first record”, *see Final Office Action*, at pg. 2, and then asserts that “visually perceptible image of the financial instruments” corresponds to the claimed “second record”, *see Final Office Action*, at pg. 3. However, in asserting that Geer teaches “correlating the first and second records”, as recited in Claim 1, the Examiner cites a portion of the reference that teaches reconciling the invoice and the payment and reconciling paper checks and the ECP. *See Examiner’s Answer*, at pp.10 & 11. In other words, the Examiner first asserts that MICR and “visually perceptible image of the financial instrument” correspond to the claimed first and second records, but then in asserting that Geer teaches “*correlating the first and second records*” the Examiner cites portions of Geer that teach “reconciling” invoices with payment and paper checks with the ECPs.

Further, Appellant respectfully submits, again, that Geer does not define the term “reconciling”, although in accounting, “reconciling” usually means reconciling accounts with the financial books. The Examiner offers no evidence that “reconciling” carries anything other than its ordinary meaning in the accounting field, or that the above recited feature of claim 1 is inherent.. *See In re Rijchaert*, 28 U.S.P.Q.2d 1955, 1957 (Fed. Cir. 1993); *see In re Robertson*, 169 F.3d 743, 745 (Fed. Cir. 1999).

V. The Examiner's Answer Still Does Not Address Every Feature of Claim 1

There is no doubt that *KSR* mandates a more flexible application of the *Graham* framework in assessing obviousness. However, *KSR* does not permit the Examiner's obviousness analysis to devolve into pure subjectivity, nor to completely ignore claim limitations. *KSR* reaffirms the basic principle that a threshold requirement of a *prima facie* obviousness rejection is that the rejection must address the invention as a whole including all claim limitations. *KSR Intern. Co. v. Teleflex Inc.*, 127 S.Ct. 1727, 1734, 1740 (2007) (inquiry based on "the subject matter as a whole", "claimed subject matter"); 35 U.S.C. § 103 ("subject matter as a whole"); MPEP §§ 2141.02 ("Claimed invention as a whole must be considered"), 2143.03 ("All claim limitations must be considered"); 2143.A (obviousness rejection must show "each element claimed", "all the claimed elements"); see *In re Lowry*, 32 F.3d 1579, 32 USPQ.2d 1031, 1034 (Fed. Cir. 1994) (examiner must consider all claim limitations when determining patentability of invention over prior art) (citing *In re Gulack*, 703 F.2d 1381, 217 USPQ 401, 405 (Fed. Cir. 1983)); *In re Wilson*, 424 F.2d 1382, 165 USPQ 494, 496 (CCPA 1970) ("All words in a claim must be considered in judging the patentability of that claim against the prior art.").

Appellant respectfully submits that Geer and Gruenwald, alone or in combination, do not teach or fairly suggest "**discarding the second item sequence numbers [ISN #2] such that the second records are indexable according to the first item sequence number wherein the second records and the digital images are linked to the first records by the first item sequence number**", as recited in claim 1.

Further, in the Appeal Brief, Appellant noted that the Examiner never addressed fully the above recited limitation of claim 1. The Examiner's Answer does not cure this deficiency, but instead merely cites Gruenwald for teaching "discarding" unnecessary data without addressing the other features of this limitation.

First, as explained previously, Geer does not teach or fairly suggest a first and second item sequence number. Geer, at best, merely teaches using a document identification number that is associated with a paper check. Gruenwald merely teaches the basic premise of relational databases, *i.e.*, that records in a database can be linked through common parameters or fields.

Further, the Examiner's Answer concedes that Gruenwald does not teach discarding a "sequence number", rather the Examiner asserts that Gruenwald teaches is discarding "unnecessary data". Then the Examiner asserts that a "sequence number" is a type of data. *See Examiner's Answer*, at pg. 11. Appellant respectfully submits, however, that the Examiner's Answer appears to confuse the breadth of a term in Gruenwald with what Gruenwald actually teaches. As explained in detail in the Appeal Brief, Gruenwald does not even address sequence numbers. *See* Appeal Brief, at pp. 20 & 21. Accordingly, Gruenwald does not compensate for the deficiency of Geer.

In addition, the Examiner's Answer still does not address the features "discarding the second item sequence numbers [ISN #2] such that the second records are indexable according to the first item sequence number", as recited in claim 1. The Examiner completely ignores this claim language recited in claim 1.

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With regard to the limitation, “wherein the second records and the digital images are linked to the first records by the first item sequence number”, the Examiner’s Answer asserts:

Geer discloses relationship of digital image with first record and second record [col. 4 lines 54-61; col. 13 lines 44-49], and Gruenwald discloses the relationship between the first record and second field, therefore there is a relationship/linkage between the first record, second record and the digital image and combination of the Geer and Gruenwald reads on this “wherein” transitional clause.

Examiner’s Answer, at pg. 12. First, the above quoted portion of the Examiner’s Answer is a conclusory statement that offers no technical reasoning and borders on nonsensical. A careful reading of how the Examiner’s Answer applies the Geer reference shows that this reference does not, as the Examiner’s Answer asserts, “[disclose the] relationship of digital image with first record and second record”. *Id.*

Geer discloses an ECP file, and the Examiner’s Answer asserts that the contents of the ECP file correspond to the claimed “first record”. *See Examiner’s Answer*, at pg. 3. Geer discloses that a “document identification number” is assigned to a check. *See Geer*, at col. 4, ll. 54-61; col. 13, ll. 44-49. The Examiner asserts that this corresponds to the claimed “first sequence number”. *See Examiner’s Answer*, at pg. 4. Geer discloses creating an image of the check for archival purposes. *See Geer*, at col. 8, ll. 10-20. the Examiner’s Answer asserts that the “visually perceptible image of the financial instruments” corresponds to the claimed “second record.” *See Final Office Action*, at pg. 3. Nowhere does Geer disclose that the contents of an ECP file and a “visually perceptible image” are linked by the “document identification number”, and therefore, Geer does not teach “the second records and the digital images are linked to the first records by the first item sequence number”, as recited in claim 1. On the contrary, Geer

teaches that only the *check*, not the “visually perceptible image of the financial instrument”, is assigned the “unique document identification number”. *Geer*, at col. 13, ll. 44-50.

VI. The Examiner’s Answer Still Does Not Adhere to the Graham Factors In Attempting to Set Forth a *Prima Facie* Case of Obviousness.

Although Appellant would agree that one of ordinary skill in the art would not have been motivated to combine Geer and Gruenwald, contrary to the Examiner’s assertion on page 12 of the Examiner’s Answer, Appellant never reaches this point. It is Appellant’s position that the Examiner does not put forth the requisite showing to support a conclusion of obviousness, regardless of what Geer and Gruenwald actually teach. The Examiner’s Answer, as in the prior office actions, relies on conclusory statements about Geer’s and Gruenwald’s alleged teaching and the motivation to combine the two references. The Supreme Court explicitly stated in *KSR Int’l Co. v. Teleflex Inc.*, 127 S. Ct. 1727, 82 U.S.P.Q.2d (BNA) 1385 (2007), that rejections based on 35 U.S.C. § 103 must be founded on the Graham factors so that there is articulated reasoning with some rational underpinning to support the legal conclusion of obviousness. *KSR Int’l Co. v. Teleflex Inc.*, 127 S. Ct. at 1740-41. The Examiner’s Answer, therefore, fails to set forth a *prima facie* case of obviousness, and should be overturned *at least* on this grounds.

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In view of the arguments above, Appellants respectfully urge the Board of Patent Appeals and Interferences to reverse all of the rejections as to each of the claims 1-6, 8-10, 36-41 and 43-45.

Dated: June 3, 2008

Respectfully submitted,

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